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GOVERNMENT OF GUAM

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
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AUG 28 2019

Honorable Michael C Burgess, MD
Ranking Member, Committee on Energy and Commerce
US House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515-6115

**RE: Strengthening Health Care in the U.S. Territories for Today and Into the Future
Oversight Hearing Additional Question**

Dear Honorable Burgess:

This is in response to your letter, dated August 15, 2019 regarding the additional question given to each US territory representative to respond to after the oversight hearing entitled "Strengthening Health Care in the U.S. Territories for Today and Into the Future" conducted by the House of Representative, Committee on Energy and Commerce held on June 20, 2019.

Question:

In FY 2018, federal spending for Medicaid in all five territories exceeded the annual Section 1108 allotment amount. I expect that in FY 2019, we'll see an increase in federal spending over the annual Section 1108 allotment amount for all five territories since they'll have access to a 100 percent federal matching rate for all or part of the fiscal year. Because no additional federal funding is available after December 2020, territories will generally need to finance any Medicaid spending over the annual Section 1108 allotment with local funds. My question for each of you is, if you only had the 1108 allotment funding, how short of funding would you all be?

Response:


Yearly, the Guam Medicaid program faces financial and operational challenges due to the local matching requirements. In FY 2018 the Guam Medicaid Program total combined medical payment (\$110.9 million) and administrative (\$2.3 million) expenditures was \$113 million. In FY 2019 there is a drastic increase in expenditures due to access to 100% federal matching rate. This allowed Guam Medicaid Program to adjudicate and pay providers claims in a timely manner. Thus, reducing provider and clients' complaints. Additionally, off-island referrals for treatment of Medicaid patients is being processed without difficulty or delay. Moreover, recruitment of vacant positions is currently being processed to efficiently manage and implement the program mandates.

With Medicaid FMAP increased to 100%, the current Medicaid expenditure as of August 28, 2019 is \$155,178,928.32 (federal and local-Medical payments and admin). This amount includes CHIP current expenditure of \$33,166,211.49 (Federal and Local).

Based on the aforementioned current expenditure, **Guam Medicaid's estimated total expenditure for FY 2019 is \$166 million (Medicaid and CHIP)**. Therefore, if Guam Medicaid federal funding for FY 2020 is only from Section 1108, which is \$18.38 million, Guam would be severely under funded and would need to come up with the additional funding of \$147.62 million.

FISCAL YEAR 2020 PROJECTED EXTENDITURE	
Projected FY 2020 Expenditure	\$ 166,000,000
Section 1108	-\$ 18,380,000
Additional Funding Needed	\$ 147,620,000

Sincerely,


MARIA THERESA L. ARCANGEL
Chief Administrator
Division of Public Welfare

Concurred By:


LINDA UNPINGCO DE NORCEY, MPH
Director